

# Credibility of CSR

## International comparison of reporting on Corporate Social Responsibility

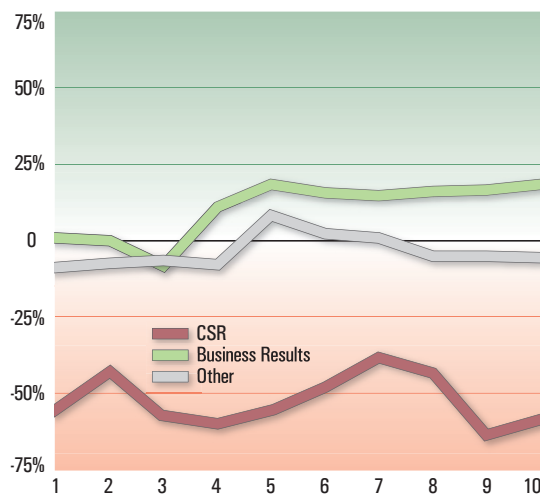
If CSR is business driving economic growth, while behaving ethically and improving the quality of life of its workforce and society as a whole, then many opinion leading media have reported on CSR cynically indeed.

It is startling to look at how much more negatively companies, for example in the U.S. (Figure 1), are perceived on issues around credibility and accountability versus business results. Although business results were reported on in a generally positive fashion, especially towards the end of 2003, there was still a very negative undertone in the media, driven by accounting and securities scandals.

While business turmoil leads corporate media reporting in the U.S., U.K., and Germany, South African media presents a much more positive picture.

The South African model is an interesting one to keep in mind because it very clearly identifies the disconnection between much of what is considered CSR work and the core functional areas of business in the first world.

### 1 U.S. CSR coverage – timeline comparison 01–10/2003



Passage: Minimum five lines (or 5 seconds) of coverage about a company or industry

Source: Media Tenor 01/01/2003 – 10/01/2003 Basis: 83,206 Passages in US Media (1,909 on CSR)

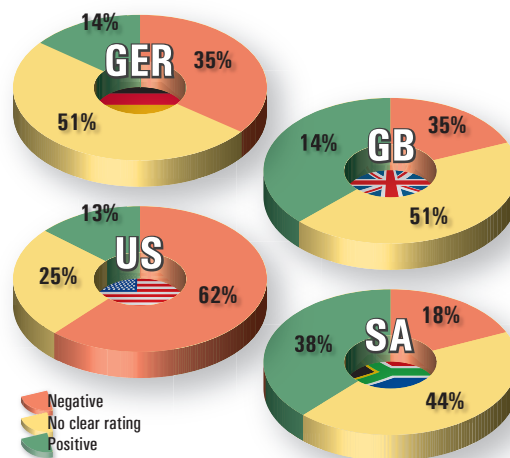
### Regaining credibility is not a process that can be completed through a quick advertising

As major corporate scandals have continued to surface, much of the media cynicism may be well placed, clearly indicating the urgent need for business to focus on rebuilding its image and regaining credibility. Unfortunately, this is not a process that can be completed through a quick advertising or public relations campaign. It is an ongoing process that needs to be integrated into the foundation of how business operates.

### South African model

An interesting model to look at, in terms of integrating social responsibility into business, is that of South Africa. While business turmoil leads corporate media reporting in the U.S., U.K., and Germany, South African media presents a much more positive picture (Figure 2). The image of CSR there is focused on the empowerment of previ-

### 2 CSR rating comparison - TV



Passage: Minimum 5 seconds coverage about a company or industry

Source: Media Tenor 01/01/2003 – 10/01/2003 Basis: 22,492 passages (1,008 on CSR) in 20 news programs

ously disadvantaged groups and has a much more positive rating associated with it (Figure 3). The reason that this situation exists is because these types of issues are so engrained in South African business culture, that they simply cannot be ignored.

It is not possible to create and maintain a positive CSR image if CSR is not integrated into the core culture of a business – always keeping in mind that the essence of business is economic growth, so CSR cannot be integrated at a net loss.

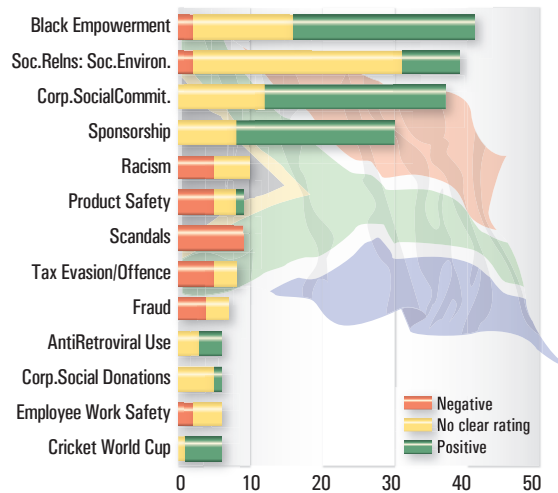
### Real impact

At first glance, the 100 million dollars that Intel internationally invests into education could be seen as simply philanthropy. Although part of the legacy that Intel's CEO, Craig Barrett, wants to leave behind is focused on education, that alone should not be enough to justify that much money being spent. When Intel expands into new markets, such as Poland and Brazil, it builds state of the art public computer centres to, on one hand, invest in the community, but on the other hand

also time drive Intel product usage and content development in emerging markets.

Similarly, IBM, HP, and Intel working together on developing supply chain transparency in Asia,

### 3 Top 10 CSR issues - TV (SA)

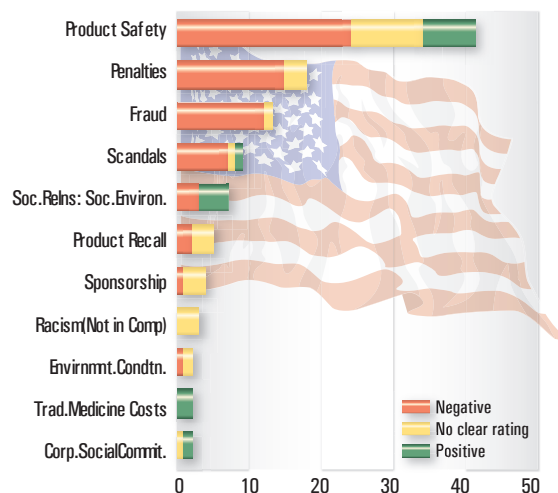


Passage: Minimum 5 seconds coverage about a company or industry

Source: Media Tenor 01/01/2003 - 10/01/2003 Basis: 940 passages (273 on CSR) in 5 SA nightly news programs

may seem to only be a PR response to pressure surrounding employment practices in that area of the world. No doubt, this does play some role, but also there is a business case for better supply chain accountability. This can be seen in com-

### 4 Top 10 CSR issues - TV (U.S.)



Passage: Minimum 5 seconds coverage about a company or industry

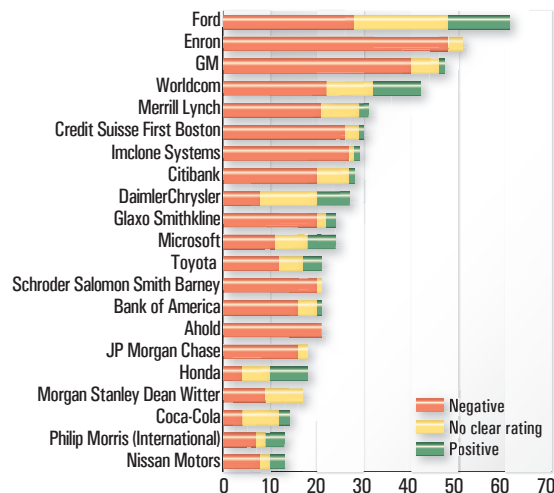
Source: Media Tenor 01/01/2003 - 10/01/2003 Basis: 1,300 passages (119 on CSR) in 3 US nightly news programs

panies such as Gap or Nike, which at one point were prodded into examining their supply chains. Now they are able to actually show cost savings through the significant improvements in reliability and overall quality, which have been provided through more transparent supply chains.

### Credibility through the media

The media plays an integral role in corporate credibility. Much of the reason why the business image that the media has created around CSR exists, for example focusing on scandals at companies such as Ford, Enron, and WorldCom in the U.S. media (Figure 4), is because many CSR initiatives are not credible and sometimes even deceitful.

### 5 Top 20 CSR Companies (coverage volume) in US Media



Passage: Minimum five lines (or 5 seconds) of coverage about a company or industry

Source: Media Tenor 01/01/2003 - 10/01/2003 Basis: 83,206 Passages in US Media ( 1,909 on CSR)

The essence of CSR, when integrated properly, can be summed up as simply good management. Enhancing corporate economic growth through CSR is the win-win combination that the media cannot ignore. tj

### Basis:

Media: BBC News at Six and Ten, ITV News, ABC, NBC, CBS News, SABC News Africans, English, Sotho, Zulu/Xhosa, E-TV SA

ARD Tagesschau and Tagesthemen, ProSieben News, ZDF heute and heute journal, SAT.1 18.30, Deutsche Welle TV Journal German and English, RTL Aktuell

Time: 01/01/2003 - 10/01/2003

Analysis: 22,492 passages in 20 TV News programs (1,009 on CSR)

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